

## **Interim Management Report of Fund Performance**

*For the Six-Month Period Ended September 30, 2011*

### **Portfolio Management**

**David Arpin, MA, CFA**  
(Mackenzie Financial Corporation)  
Vice-President

*This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim or annual financial statements of the investment fund. You may obtain a copy of the interim or annual financial statements, at no cost, by calling the toll-free number 1-800-387-0614, by writing to us at Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1, by visiting our website at [www.mackenziefinancial.com](http://www.mackenziefinancial.com) or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com).*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. Every effort has been made to ensure that the information contained in this report is accurate as of the dates indicated in the report; however, the Fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Fund's Simplified Prospectus and Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.*

*For the Fund's current net asset values per security and for more recent information on general market events, please visit our website.*

#### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.*

## Management Discussion of Fund Performance

October 21, 2011

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the past six months that have affected the Fund's performance and outlook since March 31, 2011, the Fund's most recent fiscal year-end. For information on the Fund's longer-term performance, please refer to the *Past Performance* section of the report. This report should be read in conjunction with the Annual Management Report of Fund Performance for the year ended March 31, 2011. In this report, "Mackenzie" refers to Mackenzie Financial Corporation, the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

### Results of Operations

The Fund's NAV increased by 3.8% to \$5.5 million at September 30, 2011, from \$5.3 million at March 31, 2011. This change was composed primarily of \$0.1 million in net income (including dividend and interest income) from investment performance, after deducting fees and expenses, and \$0.1 million in net sales. The performance of the Fund's Series A securities is discussed below. The performance of all series is shown in the *Past Performance* section of the report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Fund Formation and Series Information* section of this report for the varying management and administration fees payable by each series.

### Investment Performance

During the six-month period, the Fund's Series A securities returned 0.7% (after deducting fees and expenses paid by the series). This compares with the S&P 500 Index return of -6.9%. All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in the index without incurring fees, expenses and commissions, which are not reflected in the index returns.

The Fund outperformed the index, benefiting from its large overweight position in consumer staples and strong stock selection within that sector. Relative performance also benefited from the Fund's superior stock selection in the consumer discretionary sector, low exposure to financials, which was the worst-performing sector in the index, and its cash position, which is a by-product of the stock selection process.

The Fund did not hedge its foreign currency exposure. The U.S. dollar's 8.0% appreciation relative to the Canadian dollar had a material positive effect on the Fund's absolute performance.

### Fees and Expenses

The annualized management expense ratio ("MER") for Series A of 2.60% during the six-month period ended September 30, 2011, was slightly higher than the MER of 2.57% for the year ended March 31, 2011. The MERs (before and after waivers or absorptions) for each series are presented in the *Financial Highlights* section of this report. The MER for Series O decreased during the period because effective November 3, 2010, the

administration fee for Series O securities was payable directly to Mackenzie by Series O investors, not by the Fund. Prior to this date, the administration fee was paid by the Fund.

The Governments of Ontario and British Columbia harmonized their provincial sales taxes with the federal goods and services tax effective July 1, 2010. This increases the amount of taxes paid by the Fund on its expenses, including but not limited to management and administration fees during the period.

The MER for each series consists of the management fee, administration fee and other fund costs, as applicable to that series. Other fund costs include taxes (including but not limited to GST/HST and income tax), interest and borrowing costs, fees and expenses of the Mackenzie Funds' Independent Review Committee ("IRC"), any fees related to external services that were not commonly charged in the Canadian mutual fund industry as at June 15, 2007, and the costs of complying with any new regulatory requirements after June 15, 2007.

### Large Investor Activity

At September 30, 2011, large investors owned 21.9% of the Fund's NAV. See also *Other Related Party Transactions* for the percentage of the Fund's NAV owned by Mackenzie. As a result of these investments, the Fund may be subject to large transaction risk as discussed in the Prospectus. Mackenzie manages these risks to reduce the possibility of any adverse effect on the value of the Fund or on its investors, through such processes as requiring advance notice of large redemptions. At September 30, 2011, Mackenzie had received no such notices from institutional investors.

### Recent Developments

The considerable risk in the current macroeconomic environment has accumulated over decades. For a number of years the Ivy team has been concerned that several significant contributors to economic growth in developed countries were unsustainable: trends like declining interest rates, falling savings rates and increasing debt levels. By relying on these trends, many developed countries have been living beyond their means, with current and promised future spending levels that are not supported by sustainable fundamentals. In essence, we may be near or at the end of an extended period of elevated consumption driven by these factors. Recent solvency crises, both sovereign and corporate, appear to the Ivy team to be linked to this excess build-up of debt, and the policy response (repeated bailouts) seems to simply be leading to further, larger problems.

Despite these macroeconomic issues, the Ivy team is very excited about the companies in this Fund from a long-term perspective; companies that, over time, the team expects will be better able to control their own destiny in terms of growth and financing needs. The team attempts to identify businesses that have a strong competitive advantage that enables them to be profitable and generate free cash flow in most economic environments.

## Future Accounting Standards

As previously confirmed by the Canadian Accounting Standards Board (“AcSB”), most Canadian publicly accountable entities adopted all International Financial Reporting Standards (“IFRS”), as published by the International Accounting Standards Board (“IASB”), on January 1, 2011. However, the AcSB has allowed most investment funds to defer adoption of IFRS until fiscal years beginning on or after January 1, 2013. Accordingly, the Fund will adopt IFRS for its fiscal period beginning April 1, 2013, and will issue its initial financial statements in accordance with IFRS, including comparative information, for the interim period ending September 30, 2013.

Mackenzie has identified the key differences between IFRS and Canadian generally accepted accounting principles (“GAAP”) that are expected to affect the Fund, and has developed an IFRS changeover plan, including a formal project governance structure, that addresses key elements of the conversion to IFRS. Elements of the plan include evaluating the impacts of the changeover on all business activities, accounting policies, information technology and data systems, internal controls over financial reporting, and disclosure controls and procedures. As the Fund’s changeover plans are implemented, requirements for financial reporting resources and training are being modified appropriately.

Based on Mackenzie’s current evaluation of the differences between GAAP and IFRS, the adoption of IFRS is not expected to have a significant impact on the calculation of NAV per security. IFRS is expected to affect the overall presentation of financial statements and result in additional disclosure in the accompanying notes. Mackenzie continues to monitor changes to IFRS proposed by the IASB and relevant amendments by the AcSB, and the current assessment and IFRS changeover plans may change if new standards are issued or interpretations of existing standards are revised.

## Related Party Transactions

The following arrangements result in fees paid by the Fund to Mackenzie or to companies affiliated with the Fund.

## Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to Mackenzie at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. In return for the administration fees, Mackenzie pays all costs and expenses (other than certain specified fund costs) required to operate the Fund that are not otherwise included in management fees. See also *Management Fees*.

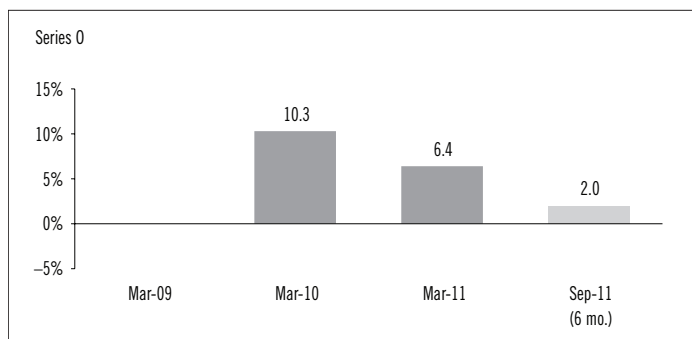
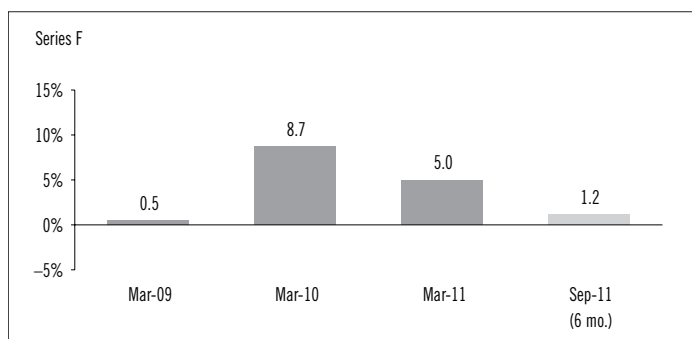
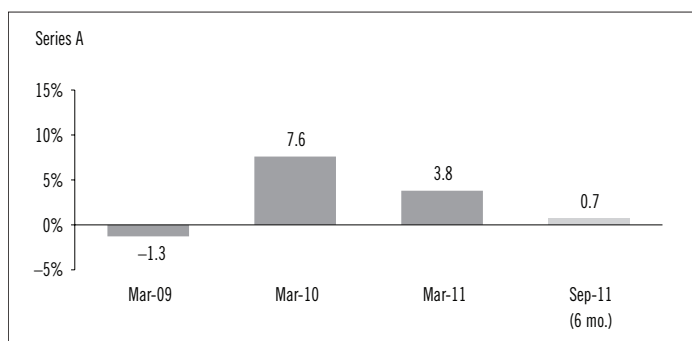
## Other Related Party Transactions

The Fund did not rely on an IRC approval or positive recommendation because it did not engage in any related party transactions.

At September 30, 2011, Mackenzie had an investment of \$3.3 million in the Fund (60.2% of the Fund’s NAV). If Mackenzie decides to redeem its investment, it will do so in accordance with securities law and in a manner that reduces the possibility of any adverse effect on the security price of the Fund.

## Past Performance

The following bar charts present the performance of each series of the Fund for the six-month period ended September 30, 2011, and for each of the previous years ended March 31. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.



# MACKENZIE IVY AMERICAN CLASS



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2011

U.S. EQUITY

## Summary of Investment Portfolio at September 30, 2011

### Portfolio Allocation % of NAV

Equities.....	88.5%
Cash and equivalents.....	11.2%
Other assets (liabilities).....	0.3%

### Regional Allocation % of NAV

United States.....	88.5%
Cash and equivalents.....	11.2%
Other assets (liabilities).....	0.3%

### Sector Allocation % of NAV

Consumer discretionary.....	22.5%
Consumer staples.....	20.6%
Health care.....	17.3%
Industrials.....	13.3%
Cash and equivalents.....	11.2%
Information technology.....	5.9%
Materials.....	5.3%
Financials.....	2.0%
Energy.....	1.6%
Other assets (liabilities).....	0.3%

The Fund did not hedge its foreign currency exposure.

## Top 25 Holdings

Issuer	% of NAV
Cash and equivalents	11.2%
Colgate Palmolive Co.	7.2%
McDonald's Corp.	7.2%
Nike Inc.	6.8%
Henry Schein Inc.	6.7%
PepsiCo Inc.	6.2%
Costco Wholesale Corp.	5.6%
Becton, Dickinson and Co.	5.6%
Danaher Corp.	5.4%
Sigma-Aldrich Corp.	5.3%
Staples Inc.	5.1%
Techne Corp.	5.0%
Donaldson Co. Inc.	3.7%
3M Co.	3.7%
Amphenol Corp.	3.6%
Omnicom Group Inc.	3.4%
Paychex Inc.	2.3%
T. Rowe Price Group Inc.	2.0%
EOG Resources Inc.	1.6%
Walgreen Co.	1.6%
Fastenal Co.	0.5%

### Top long positions as a percentage of total net asset value

99.7%

The Fund held no short positions at the end of the period.

The investments and percentages may have changed since September 30, 2011, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period ended September 30, 2011, and for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception or reinstatement to September 30, 2011. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

### THE FUND'S NET ASSETS PER SECURITY (\$)¹

Series A	Sep. 30 2011	Mar. 31 2011	Mar. 31 2010	Mar. 31 2009
<b>Net assets, beginning of period</b>	<b>11.02</b>	10.62	9.86	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.06</b>	0.11	0.11	0.05
Total expenses	<b>(0.14)</b>	(0.28)	(0.25)	(0.09)
Realized gains (losses) for the period	<b>0.21</b>	0.20	(0.09)	0.05
Unrealized gains (losses) for the period	<b>(0.04)</b>	0.35	0.99	(0.17)
<b>Total increase (decrease) from operations²</b>	<b>0.09</b>	0.38	0.76	(0.16)
<b>Distributions:</b>				
From income (excluding dividends)	—	—	—	—
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	—	—	—	—
<b>Total annual distributions³</b>	—	—	—	—
<b>Net assets, end of period</b>	<b>11.10</b>	11.02	10.62	9.86

- (1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's unaudited interim and audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences can be found in the *Notes to Financial Statements*.
- (2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.
- (3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.

Series F	Sep. 30 2011	Mar. 31 2011	Mar. 31 2010	Mar. 31 2009
<b>Net assets, beginning of period</b>	<b>11.47</b>	10.92	10.04	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.06</b>	0.11	0.11	0.04
Total expenses	<b>(0.09)</b>	(0.16)	(0.14)	(0.04)
Realized gains (losses) for the period	<b>0.16</b>	0.13	(0.75)	0.30
Unrealized gains (losses) for the period	<b>(0.04)</b>	0.36	1.02	(0.12)
<b>Total increase (decrease) from operations²</b>	<b>0.09</b>	0.44	0.24	0.18
<b>Distributions:</b>				
From income (excluding dividends)	—	—	—	—
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	—	—	—	—
<b>Total annual distributions³</b>	—	—	—	—
<b>Net assets, end of period</b>	<b>11.61</b>	11.47	10.92	10.04

Series O	Sep. 30 2011	Mar. 31 2011	Mar. 31 2010	Mar. 31 2009
<b>Net assets, beginning of period</b>	<b>17.59</b>	16.54	15.00	n/a
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.10</b>	0.17	0.16	n/a
Total expenses	—	(0.02)	(0.02)	n/a
Realized gains (losses) for the period	<b>0.29</b>	0.37	—	n/a
Unrealized gains (losses) for the period	<b>(0.06)</b>	0.54	1.40	n/a
<b>Total increase (decrease) from operations²</b>	<b>0.33</b>	1.06	1.54	n/a
<b>Distributions:</b>				
From income (excluding dividends)	—	—	—	n/a
From dividends	—	—	—	n/a
From capital gains	—	—	—	n/a
Return of capital	—	—	—	n/a
<b>Total annual distributions³</b>	—	—	—	n/a
<b>Net assets, end of period</b>	<b>17.95</b>	17.59	16.54	n/a

## RATIOS AND SUPPLEMENTAL DATA

Series A	Sep. 30 2011	Mar. 31 2011	Mar. 31 2010	Mar. 31 2009
Total net asset value (\$000) <sup>1,2</sup>	<b>4,056</b>	3,873	3,363	3,053
Securities outstanding (000) <sup>1</sup>	<b>365</b>	351	317	309
Management expense ratio (%) <sup>3</sup>	<b>2.60</b>	2.57	2.43	2.45
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	<b>2.60</b>	2.57	2.43	2.45
Trading expense ratio (%) <sup>4</sup>	<b>0.07</b>	0.06	0.04	0.23
Portfolio turnover rate (%) <sup>5</sup>	<b>6.67</b>	16.21	11.71	n/a
Net asset value per security (\$) <sup>2</sup>	<b>11.10</b>	11.03	10.62	9.87

Series F	Sep. 30 2011	Mar. 31 2011	Mar. 31 2010	Mar. 31 2009
Total net asset value (\$000) <sup>1,2</sup>	<b>213</b>	272	62	1,072
Securities outstanding (000) <sup>1</sup>	<b>18</b>	24	6	107
Management expense ratio (%) <sup>3</sup>	<b>1.48</b>	1.47	1.40	1.40
Management expense ratio before waivers or absorptions (%) <sup>3</sup>	<b>1.48</b>	1.47	1.40	1.40
Trading expense ratio (%) <sup>4</sup>	<b>0.07</b>	0.06	0.04	0.23
Portfolio turnover rate (%) <sup>5</sup>	<b>6.67</b>	16.21	11.71	n/a
Net asset value per security (\$) <sup>2</sup>	<b>11.61</b>	11.47	10.93	10.05

- (1) This information is provided as at September 30, 2011, or the end of the fiscal period shown, as applicable.
- (2) The net asset value figures presented in this table are used for fund pricing and calculating returns by series. As a result of the requirements under CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, these net asset values may differ from the figures in the financial statements, and the net asset value per security in this table may differ from the end of period figure in The Fund's Net Assets per Security table in this section.
- (3) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If in the period a series was established or reinstated, the management expense ratio is annualized from the date of inception or reinstatement. Mackenzie may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (5) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.
- (6) The management and administration fees for Series O securities are negotiable and are payable directly to Mackenzie by Series O investors, not by the Fund. Prior to November 3, 2010, the administration fee rate for Series O securities was 0.15%, which was paid directly to Mackenzie by the Fund.

Series O	Sep. 30 2011	Mar. 31 2011	Mar. 31 2010	Mar. 31 2009
Total net asset value (\$000) <sup>1,2</sup>	<b>1,260</b>	1,187	1,116	n/a
Securities outstanding (000) <sup>1</sup>	<b>70</b>	67	67	n/a
Management expense ratio (%) <sup>3,6</sup>	<b>–</b>	0.10	0.16	n/a
Management expense ratio before waivers or absorptions (%) <sup>3,6</sup>	<b>–</b>	0.10	0.16	n/a
Trading expense ratio (%) <sup>4</sup>	<b>0.07</b>	0.06	0.04	n/a
Portfolio turnover rate (%) <sup>5</sup>	<b>6.67</b>	16.21	11.71	n/a
Net asset value per security (\$) <sup>2</sup>	<b>17.95</b>	17.60	16.54	n/a

## Management Fees

The management fee for each applicable series is calculated daily as a percentage of its NAV. The Fund's management fees were used by Mackenzie to pay for the costs of managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio, and providing other services. Mackenzie also used the management fees to fund sales commissions, trailing commissions and any other compensation (collectively "distribution-related payments") to registered dealers and brokers whose clients invest in the Fund.

The following dealers affiliated with Mackenzie may be entitled to distribution-related payments from Mackenzie on the same basis as unrelated registered brokers and dealers: IPC Securities Corporation, Investors Group Securities Inc., M.R.S. Securities Services Inc., IPC Investment Corporation, Investors Group Financial Services Inc., M.R.S. Inc., M.R.S. Correspondent Corporation and Partners in Planning Financial Services Ltd. On September 2, 2011, Mackenzie entered into a transaction which, subject to regulatory approvals, is expected to result in M.R.S. Inc., M.R.S. Securities Services Inc. and M.R.S. Correspondent Corporation no longer being subsidiaries of Mackenzie.

Mackenzie used approximately 40% of the total management fee revenues received from all Mackenzie funds during the period to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 44% of the management fees paid by all applicable series of the Fund during the period. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series. The higher proportion of distribution-related payments is primarily attributable to sales commissions related to gross sales of redemption charge securities of the Fund.



## Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

Date of Formation November 19, 2008

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in *Financial Highlights*.

Series A securities are offered to retail investors investing a minimum of \$500.

Series F securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

Series O securities are offered to investors investing a minimum of \$500,000 who have entered into a Series O account agreement with Mackenzie, and also available to certain qualifying employees of Mackenzie and its subsidiaries.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and a low-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2011	Mar. 31, 2011
Series A	December 8, 2008	2.00%	0.31%	11.10	11.03
Series F	December 10, 2008	1.00%	0.31%	11.61	11.47
Series O	April 30, 2009	— <sup>(1)</sup>	— <sup>(1)</sup>	17.95	17.60

(1) The management and administration fees for Series O securities are negotiable and are payable directly to Mackenzie by Series O investors, not by the Fund. Prior to November 3, 2010, the administration fee rate for Series O securities was 0.15%, which was paid directly to Mackenzie by the Fund.